

Guidance on CATS TORFP MBE GOAL SETTING PROCESS

Objective

The objective of this document is to help Consulting and Technical Services (CATS) contract users to set appropriate Minority Business Enterprise (MBE) goals for each CATS Task Order Request for Proposal (TORFP). The CATS Master Contract requires a minimum overall MBE subcontractor participation goal of 30% for the aggregate of all Task Order (TO) Agreements awarded. This does not mean that every TORFP must set a 30% goal; some will be higher and some will be lower, depending upon the pertinent circumstances of each TO.

MBE goals should be evaluated on a task order by task order basis, with the objective being to establish a reasonable and attainable MBE goal, given the specifics of the TORFP scope of work and other factors as discussed below. Agencies must, at a minimum, include the TORFP Procurement Officer and the department/agency's MBE Liaison in the TORFP goal setting process. This document and accompanying worksheets have been developed to assist you in this effort.

Each agency is required to submit the MBE Participation Worksheet with the TORFP package, to provide the rationale behind their recommended MBE goal. The purpose of the Worksheet is to establish an appropriate MBE goal that is in compliance with the CATS Master Contract and consistent with the MBE Program.

The Department of Budget and Management (DBM) will review the CATS MBE Participation Worksheet to verify that guidelines are followed and the recommended MBE goal is substantiated. Establishing an appropriate MBE goal will support a more streamlined procurement process and will minimize the need for waivers. This will be beneficial to both State agencies and Master Contractors.

Recommending MBE Goals

When recommending an MBE goal, an agency should consider knowledge of the industry, project history, elements of the TORFP that can be segmented, and the potentially available MDOT-certified MBE pool.

Take into consideration any existing perspectives or experience. Is this TORFP replacing a current TO Agreement or contract? Is there another agency with a current TO Agreement or contract in place that is similar to the type of project or service in this TORFP? Based on that analysis, the following questions should be considered:

- Is the MBE goal for the current TORFP being met? If not, why not?
 - Were the subcontracting opportunities overestimated?
 - Are MBE firms unable to perform the subcontracting services or tasks?
 - Are MBE firms unavailable during the TO Agreement term?
 - Was the dollar value of subcontracting opportunities overestimated?
 - Can the underachieved goal be cured?
- Is the current MBE goal being exceeded?
 - Was the percentage of elements that could be subcontracted underestimated?
 - Was the dollar value of subcontracting opportunities underestimated?

Thoroughly review the elements of the TORFP that are probable subcontracting opportunities. These elements are typically found in TORFP Section 2: Scope of Work. Examples of services and tasks that can be subcontracted include, but are not limited to, the following:

- billing/invoicing,
- project management,
- network engineering,
- programming,
- analysis,
- database management,
- security,
- testing,
- independent verification and validation,
- advertising,
- contract administration, and
- staffing, and
- implementation support.

Next, search the Maryland Department of Transportation (MDOT) MBE / Disadvantaged Business Enterprise (DBE) <http://www.e-mdot.com/MBE Program> directory to determine the firms that are certified in the work areas that have been identified as being subcontractable. To access the most comprehensive list, conduct database searches by: 1) appropriate keyword(s), and, 2) specific SIC/NAICS code(s).

CATS Master Contractors are encouraged to use the MBE/DBE firms that are on the CATS Master Contract to meet MBE goal established for the TORFP, but they are not limited to this list and may subcontract with any MDOT-certified MBE/DBE firm.

The attached worksheets will serve as a record of your MBE goal setting analysis and also as a model for future reference whenever recommending TORFP MBE goals.

CATS MBE PARTICIPATION WORKSHEET

SECTION 1 – TO REQUESTING AGENCY INFORMATION

TO Requesting Agency:		Date:	mm/dd/yyyy
TO Procurement Officer:		Phone:	
TO Manager:		Phone:	

SECTION 2 – SOLICITATION INFORMATION

TORFP Number:			
TORFP Title:			
Brief Description of the TORFP			
TO Agreement Term		Options (Enter amount)	
Current TO Agreement or Contract?	Yes <input type="checkbox"/> No <input type="checkbox"/>	MBE Goal on Current TO Agreement	%
Is the current MBE goal being met? Yes <input type="checkbox"/> No <input type="checkbox"/> (Explain if 'No')			
Is the current MBE goal being exceeded? Yes <input type="checkbox"/> No <input type="checkbox"/> (Explain if 'Yes')			

SECTION 3 – SUBCONTRACTING OPPORTUNITIES

Subcontracting Opportunities	No. MBEs	Percent Amount	Annual Amount	No. Years	TO Agreement Amount
TOTAL SUBCONTRACTING AMOUNT					\$
ESTIMATED TO AGREEMENT AMOUNT					\$
CALCULATED MBE GOAL (Total Subcontracting Amount / Estimated TO Agreement Amount)					%

SECTION 4 – SUMMARY

RECOMMENDED MBE GOAL	%	ESTIMATED MBE AMOUNT	\$
EXPLANATION OF THE RECOMMENDED MBE GOAL:			

CATS MBE Participation Worksheet Instructions and a Sample Form

This form must be submitted to DBM, Office of Information Technology, Procurement Liaison Office, with the Task Order Request for Proposal (TORFP) as written determination for the MBE goal.

A form must be completed for each potential TO Agreement award. For example, if the TORFP is broken down into multiple subprojects that can be awarded separate TO Agreements, an MBE Worksheet must be completed for each subproject.

FIELD NAME	INSTRUCTIONS
Section 1 – TO Requesting Agency Information	
TO Requesting Agency	Name of the agency issuing the TORFP.
Date	Date the worksheet was completed (mm/dd/yyyy).
TO Procurement Officer	Name of the TO Procurement Officer, as identified in the TORFP Key Information Summary Sheet.
Phone (TO Procurement Officer)	Phone number of the TO Procurement Officer, as identified in TORFP Key Information Summary Sheet.
TO Manager	Name of the TO Manager, as identified in the TORFP Key Information Summary Sheet.
Phone (TO Manager)	Phone number of the TO Manager, as identified in the TORFP Key Information Summary Sheet
Section 2 – Solicitation Information	
TORFP Number	Agency direct purchase order released against the DBM CATS Master Blanket Purchase Order # 050B6800025 in ADPICS.
TORFP Title	Title of the TORFP.
Brief Description of the TORFP	Brief description of the TORFP. The text from the TORFP Section 2.1.1 (Purpose) can be copied. Identify whether the TORFP is broken down into subprojects and highlight the subproject being addressed.
TO Agreement Term	Duration described in 'Period of Performance', in the TORFP Key Information Summary Sheet (excluding option period)
Options	Cost in dollars of option period, as described in 'Period of Performance', in the TORFP Key Information Summary Sheet
Current TO Agreement or Contract?	Check 'Yes' if the TO Requesting Agency has a current TO Agreement for the same type of work. Check 'No' if none. To check the Yes or No box, double click on the appropriate box and select the 'Checked' field.
MBE Goal on Current TO Agreement	If the answer to Current TO Agreement or Contract? is 'Yes', enter the MBE goal for the current TO Agreement. If 'No', leave blank.
Is the current MBE goal being met?	If the answer to Current TO Agreement is 'No', leave this field blank. If the answer to Current TO Agreement or Contract? is 'Yes', then identify whether the MBE goal was met. Check 'Yes' if the current MBE goal was met. Check 'No' if the current MBE goal was not met and include a brief explanation of why the MBE goal was not met. To check the Yes or No box, double click on the appropriate box and select the 'Checked' field.
Is the current MBE goal being exceeded?	If the answer to Current TO Agreement or Contract? is 'No', leave this field blank. If the answer to Current TO Agreement or Contract? is 'Yes', then identify whether the MBE goal is being exceeded. Check 'Yes' if the current MBE goal is being exceeded and include a brief explanation of how the MBE goal is being exceeded. Check 'No' if the current MBE goal is not being exceeded. To check the Yes or No box, double click on the appropriate box and select the 'Checked' field.
Section 3 – Subcontracting Opportunities	
Subcontracting Opportunities	List all services or tasks from this TORFP that can be subcontracted. Any exceptions should be addressed in section 4 under Determination for MBE Goal .
No. MBEs	Search the MDOT MBE/ DBE Directory by keywords for each service or task identified as a subcontracting opportunity. Enter the total number of potential MBE subcontractors identified in a search of the MDOT MBE/ DBE Directory. http://www.e-mdot.com/MBE_Program/MBELastUpdate/mbedirectory
Percent Amount	Enter the estimated annual percentage for each subcontracting opportunity. This field is optional and can be used to assist in calculating the TO Agreement Amount .
Annual Amount	Enter the estimated annual cost in dollars for each subcontracting opportunity. This field is optional and can be used to assist in calculating the TO Agreement Amount .
No. Years	List the number of years (or parts of years) each subcontracting opportunity is available.
TO Agreement Amount	Multiply the Annual Amount by No. Years and enter result in dollars.
Total Subcontracting Amount	Sum of all results in TO Agreement Amount column.
Estimated TO Agreement Amount	Estimated total cost of the TO Agreement. This information is located in TORFP Attachment 3 – Task Order Agreement Section 4.1 Consideration

CATS MBE Participation Worksheet Instructions and a Sample Form

Calculated MBE Goal	Divide the Total Subcontracting Amount by Estimated TO Agreement Amount and enter the answer as a percentage.
Section 4 – Summary	
Recommended MBE Goal	Review the Subcontracting Opportunities and the Calculated MBE Goal . Take into consideration any exception factors based on experience, judgment, knowledge of industry, common sense, and previous history. Adjust the amount of the goal, if appropriate, and enter the determined MBE goal as a percentage. An example of an exception could be that there are very few MBE firms that perform that type of service and their unavailability effect the current and future contract. All exceptions must be explained under Explanation for Recommended MBE Goal .
Estimated MBE Amount	Enter the estimated MBE dollar amount based on the Recommended MBE Goal . The amount entered in the Total Subcontracting Amount may be different if the Recommended MBE Goal is different from the Calculated MBE Goal . See instruction for Recommended MBE Goal above.
Explanation of Recommended MBE Goal	First, fully explain all of the exception factors contributing to the Calculated MBE Goal and list the associated dollar amounts. For example, are there any zeros in the No. MBEs column to indicate that there is no opportunity to subcontract with an MDOT-certified MBE/DBE firm. Second, explain any difference between the Calculated MBE Goal and the Recommended MBE Goal . For example, although there are a number of MBE firms listed in the MDOT directory as performing the tasks identified as subcontracting opportunities in the TORFP, they are not available for the TORFP term.

CATS MBE Participation Worksheet Instructions and a Sample Form

MBE PARTICIPATION WORKSHEET – SAMPLE 1 OF 2					
SECTION 1 – TO REQUESTING AGENCY INFORMATION					
TO Requesting Agency:	Department of Budget and Management/ Office of Information Technology/ Division of Contract Management	Date:	03/28/2006		
TO Procurement Officer:	John Watson	Phone:	410-555-1865		
TO Manager:	Kelly Williams	Phone:	410-555-1213		
SECTION 2 – SOLICITATION INFORMATION					
TORFP Number:	050R6800567				
TORFP Title:	Contract Management System				
Brief Description of the TORFP	The purpose of this TORFP is to obtain maintenance and document imaging services for the web-enabled contract management system. This TORFP is broken-down into two subprojects; maintenance and document imaging. (Subproject 1 of 2) Maintenance				
TO Agreement Term	5 Years	Options (Enter amount)			
Current TO Agreement or Contract?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	MBE Goal on Current TO Agreement	14 %		
Is the current MBE goal being met? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Explain if 'No') The following subcontracting opportunities were identified for the current contract: .net programming, system testing services and data entry staff. The Contractor is unable to meet the current MBE goal because only three MBE companies are able to provide the required .net programming and of these none are available for the term of the contract. The MBE subcontractor that provides the data entry staff is unable to provide the required number of data entry staff. It is suggested that the Contractor use more than one MBE subcontractor in order to satisfy the requirement for data entry staff. The estimated MBE subcontracting opportunities for system testing services are being satisfied.					
Is the current MBE goal being exceeded? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Explain if 'Yes')					
SECTION 3 – SUBCONTRACTING OPPORTUNITIES					
Subcontracting Opportunities	No. MBEs	Percent Amount	Annual Amount	No. Years	TO Agreement Amount
.net Programming	3		\$300,000	4	\$1,200,000
System Testing Services	10		\$114,300	4	\$457,200
Data Entry Staff	46		\$56,000	4	\$224,000
TOTAL SUBCONTRACTING AMOUNT					\$1,881,200
ESTIMATED TO AGREEMENT AMOUNT					\$ 19,600,000
CALCULATED MBE GOAL (Total Subcontracting Amount /Estimated TO Agreement Amount)					9 %
SECTION 4 – SUMMARY					
RECOMMENDED MBE GOAL	3 %	ESTIMATED MBE AMOUNT		\$ 681,200	
EXPLANATION FOR RECOMMENDED MBE GOAL: Assuming the data entry staff requirement can be met with multiple MBE subcontractors, the estimated \$250K is included in the recommended MBE goal. However, the .net programming services subcontracting opportunity is not included in the recommended MBE goal because no MBE subcontractors with .net experience are available to provide the programming services for the term of the new TO Agreement. Due to the .net programming adjustment (i.e. subtracting the \$1.2M from the Estimated Subcontracting Amount), the recommended MBE goal and amount is reduced to 3% and \$681,200.					

CATS MBE Participation Worksheet Instructions and a Sample Form

MBE PARTICIPATION WORKSHEET – SAMPLE 2 OF 2					
SECTION 1 – TO REQUESTING AGENCY INFORMATION					
TO Requesting Agency:	Department of Budget and Management/ Office of Information Technology/ Division of Contract Management	Date:	03/28/2006		
TO Procurement Officer:	John Watson	Phone:	410-555-1865		
TO Manager:	Kelly Williams	Phone:	410-555-1213		
SECTION 2 – SOLICITATION INFORMATION					
TORFP Number:	050R6800567				
TORFP Title:	Contract Management System				
Brief Description of the TORFP	The purpose of this TORFP is to obtain maintenance and document imaging services for the web-enabled contract management system. This TORFP is broken-down into two subprojects; maintenance and document imaging. (Subproject 2 of 2) Document Imaging				
TO Agreement Term	5 Years	Options (Enter amount)			
Current TO Agreement or Contract?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	MBE Goal on Current TO Agreement	%		
Is the current MBE goal being met? Yes <input type="checkbox"/> No <input type="checkbox"/> (Explain if 'No')					
Is the current MBE goal being exceeded? Yes <input type="checkbox"/> No <input type="checkbox"/> (Explain if 'Yes')					
SECTION 3 – SUBCONTRACTING OPPORTUNITIES					
Subcontracting Opportunities	No. MBEs	Percent Amount	Annual Amount	No. Years	TO Agreement Amount
No subcontracting opportunities					
TOTAL SUBCONTRACTING AMOUNT					\$ 0
ESTIMATED TO AGREEMENT AMOUNT					\$1,000,000
CALCULATED MBE GOAL (Total Subcontracting Amount /Estimated TO Agreement Amount)					0 %
SECTION 4 – SUMMARY					
RECOMMENDED MBE GOAL	0 %	ESTIMATED MBE AMOUNT		\$ 0	
EXPLANATION FOR RECOMMENDED MBE GOAL: Only one company provides the new technology of document imaging service required and they provide their service only through third party resellers. Since this contract is to obtain this service, there are no subcontracting opportunities for the third party reseller.					